

TO: Chief Elected Officials  
WIB Chairs  
WIB Directors  
Fiscal Agents

FROM: Craig E. Hartzer  
Commissioner

DATE: May 3, 2002

SUBJ: DWD Communication: 2001-34  
Final PY'02 WIA Allocations

RE: Workforce Investment Act

**Purpose**

To provide the final Program Year 2002 (PY'02) Title I-B Adult, Dislocated Worker, and Youth Workforce Investment Act (WIA) allocations.

**Rescission**

DWD Communication 2000-38, released June 22, 2001

**Content**

The Department of Workforce Development (DWD) is announcing the PY'02 Title I-B Adult, Dislocated Worker, and Youth WIA allocations. Each funding source is discussed below:

Adult

The national adult WIA appropriation is \$950,000,000, the same level as PY'01. Indiana's allotment is \$9,743,186, a decrease of \$1,082,576 or 10.00% from PY'01. Of the funding available for adults, not more than 15% may be reserved for statewide activities. Mandatory statewide employment and training activities include: disseminating the list of eligible training, OJT, and customized training providers; conducting evaluations of activities; providing incentive grants; providing technical assistance to local areas for failing standards; assisting in the establishment and operation of the one-stop system; and operating a fiscal and management accountability information system.

The State followed Section 133(b)(2)(A)(i) of WIA in formula allocating funding for adult activities to each chief elected official. Final adult allocations are provided in the attachment. The following data were used in computing the allotments:

- The number of unemployed for Areas of Substantial Unemployment (ASUs) are averages for the 12-month period, July 2000 through preliminary June 2001;

- The number of excess unemployed individuals or the ASU excess (depending on which is higher) are averages for the same 12-month period used for ASU unemployed data; and
- The number of economically disadvantaged adult data (age 22 to 72, excluding college students and military) is from the Current Population Survey for 1999. 2000 Census data are not expected to be available for use until PY'04 allotment calculations.

Also, the State applied the hold harmless provision contained in Section 133(b)(2)(A)(ii.) The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90% of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the WIA Adult allocation:

- The allocations are available for obligation beginning July 1, 2002.
- WIA adult cost limitations are allocation-based.
- Funds allocated to a local area under WIA Sections 128(b) and 133(b), for any program year, are available for expenditure only during that program year and the succeeding program year. (20 CFR Part 667.107(b))
- Funds must be a minimum of 80% obligated at the end of the program year in which the funds were formula allocated – June 30, 2003 for PY'02 WIA allocations. (WIA Sections 128(c)(2) and 133(c)(4).
- Funds must be 100% expended at the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the State – June 30, 2004 for PY'02 WIA allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent.
- A WIB may transfer up to 20% of the adult allocation and up to 20% of the dislocated worker allocation between the two programs. The Governor's approval must be provided before making any such transfer. WIBs may not transfer funds to or from the WIA youth program.

#### Dislocated Worker

The national dislocated worker appropriation is \$1,549,000,000, a decrease of \$41,040,000 or 2.6% from the PY'01 pre-rescission level. Indiana received an allotment of \$12,270,152, an increase of \$1,587,724 or 14.86% from the PY'01 allotment. Of the

funding available for dislocated workers, not more than 25% may be reserved for statewide rapid response activities and not more than 15% may be reserved for statewide activities. Mandatory rapid response activities include assistance to local areas, which experience disasters, mass layoffs or plant closings, or other events, which increase the numbers of unemployed individuals, as well as rapid response activities. Please see the Adult section of this communication document for the appropriate use of the 15% reserved for statewide activities.

The State followed Section 133(b)(2)(B)(i) of WIA in allocating funds for activities for dislocated workers to each chief elected official. Final dislocated worker allocations are provided in the attachment. The legislation mandates the factors that must be used in the local formula but permits States discretion in determining data sources and weights assigned each factor. The following data were used in computing the allotments:

**Data Used to Compute PY'02 WIA Dislocated Worker Allocations**

<b>Allocation Factor</b>	<b>Date Source &amp; Time Period</b>	<b>Weight</b>
Insured Unemployment Data	- Annual report of unemployment compensation claimants	30%
Unemployment Concentration Data	- Labor force for counties report	30%
Plant closing & Mass Layoff Data	- Plant closure/Mass layoff report	15%
Declining Industries Data	- County employment patterns report	10%
Farmer/Rancher Economic Hardship Data	- Census of Agriculture – County Data	5%
Long-Term Unemployment Data	- Annual report of unemployment compensation claimants with 15 or more weeks claimed	10%

Reallotment of dislocated worker funds to States, as provided for by Section 132(c) of WIA, is based on completed program year expenditure reports submitted by the States. Reports from States received after October 1, 2002 may not be reflected in the calculations for dislocated worker reallotment. Such allotments will be adjusted upward or downward, based on whether the State is eligible to share in reallotted funds or is subject to recapture of funds.

The following are important facts concerning the WIA Dislocated Worker allocation:

- The allocations are available for obligation beginning July 1, 2002.
- WIA dislocated worker cost limitations are allocation-based.
- Funds allocated to a local area under WIA Sections 128(b) and 133(b), for any program year, are available for expenditure only during that program year and the succeeding program year. (20 CFR Part 667.107(b))
- Funds must be a minimum of 80% obligated at the end of the program year in which the funds were formula allocated – June 30, 2003 for PY'02 WIA allocations. (WIA Sections 128(c)(2) and 133(c)(4))
- Funds must be 100% expended at the end of the program year succeeding the program year in which the funds were formula allocated – June 30, 2004 for PY'02 WIA allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10%.
- A WIB may transfer up to 20% of the adult allocation and up to 20% of the dislocated worker allocation between the two programs. The Governor's approval must be provided before making any such transfer. WIBs may not transfer funds to or from the WIA youth program.

### Youth

The national youth WIA appropriation is \$1,353,065,000 (including \$225.1 million for Youth Opportunity Grants.) Indiana's allotment is \$13,604,901, the same level as PY'01. Of the funding available for youth, not more than 15% may be reserved for statewide activities. Please see the Adult section of this communication document for the appropriate use of the 15% reserved for statewide activities. The State followed Section 128(b)(2)(A)(i) of WIA in formula allocating funding for youth activities to each chief elected official. Final youth allocations are provided in the attachment. The following data were used in computing the allocations:

- The number of unemployed for Areas of Substantial Unemployment (ASUs) are averages for the 12-month period, July 2000 through preliminary June 2001;
- The number of excess unemployed individuals or the ASU excess (depending on which is higher) are averages for the same 12-month period used for ASU unemployed data; and
- The number of economically disadvantaged youth (age 16 to 21, excluding college students and military) are from the Current Population Survey for 1999.

2000 Census data are not expected to be available for use until PY'04 allotment calculations.

Also, the hold harmless provision contained in Section 128(b)(2)(A)(ii) was enacted. The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90% of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the WIA Youth allocation:

- The allocations are available for obligation beginning July 1, 2002
- Cost limitations for WIA youth allocations are allocation based.
- Funds allocated to a local area under WIA Sections 128(b) and 133(b), for any program year, are available for expenditure only during that program year and the succeeding program year. (20 CFR Part 667.107(b))
- Funds must be a minimum of 80% obligated at the end of the program year in which the funds were formula allocated – June 30, 2003 for PY'02 WIA allocations. (WIA Sections 128(c)(2) and 133(c)(4))
- Funds must be 100% expended at the end of the program year succeeding the program year in which the funds were formula allocated – June 30, 2004 for PY'02 WIA allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10%.

#### Discretionary Grant

DWD will again issue a discretionary grant incorporating the following funds. The discretionary grant instructions will be issued in a separate communication. These funds are available for the period July 1, 2002 to June 30, 2003. The funds must be 100% expended during this period. There will be no carry-over permitted. Unexpended funds will revert to the State.

\$ 5,000	For local capacity building and technical assistance and can not be used for any other purpose.
\$ 7,000	To support the Local Community Response position for local rapid response and can not be used for any other purpose.
\$ 12,000	TOTAL

Questions concerning the allocations may be addressed to Jennifer Biddle, Planning Analyst, at 317/232-7459. Questions concerning grants may be addressed to Virginia Harrold, Supervisor, DWD Contract & Grant Support at 317/232-7373.

**Effective Date**

July 1, 2002 for WIA adult, youth, and dislocated worker allocations and discretionary grant funding.

**Ending Date**

June 30, 2004 for WIA adult, youth, and dislocated worker allocations. June 30, 2003 for discretionary funding.

**Action**

Local administrators are instructed to distribute the information contained in this policy to appropriate staff.